

## Single Audits - What Is A Confirmation of Exemption (CoE)?

### Overview

Entities that receive federal funds may be subject to certain federal requirements including those cited in Uniform Guidance (see <https://ecfr.io/Title-2/Part-200>).

A Confirmation of Exemption (CoE) is used to document whether an entity has fallen below the financial threshold that would require its outside auditor prepare a Single Audit in conjunction with the annual audit of the financial statements. A CoE is a simple form. It needs fundamental information such as name, title, signature, and the amount of total federally funded expenditures for the fiscal year in question.

### Guidance

Generally, an entity that expends \$750,000 or more in federal funds from all sources combined in a fiscal year is required to have a Single Audit.

Generally, an entity that DOES NOT expend \$750,000 in federal funds from all sources combined in a fiscal year IS NOT required to have a Single Audit. The subrecipient provides a confirmation that total federal expenditures did not exceed the \$750,000 threshold.

### Important

Even if a Single Audit is not required for a fiscal year, if federal funds are received, generally all federal requirements still apply (e.g. having an internal control system that is both designed and operating effectively among other requirements).

The CoE only documents that a Single Audit is not needed. It does NOT address the applicability of all federal requirements that may apply to federally funded expenditures.

### Requirements

Completed CoE forms should be emailed annually to Financial Compliance at [fmfinance@twdb.texas.gov](mailto:fmfinance@twdb.texas.gov).

A CoE blank form is available on this website. See the Forms section for a template.

### Assistance

Your independent Certified Public Accountant is a key resource for assistance. You may also contact Financial Compliance for assistance at [fmfinance@twdb.texas.gov](mailto:fmfinance@twdb.texas.gov) or (512) 463-6775.